

**Remarks of
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to the
AMERICAN BUS ASSOCIATION
BOARD OF DIRECTORS MEETING
WASHINGTON, DC
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On behalf of President Bush and Transportation Secretary Norman Mineta, I want to thank you for inviting me to be here today. This is a challenging time in transportation — particularly for the surface modes — and I believe that working together we're improving safety, mobility and the economy.

Transportation Moving The Economy

While safety is our primary mission at the Federal Motor Carrier Safety Administration, getting the economy moving has always been, and remains, a top priority for the President and his entire team.

Our nation's economy is strong and getting stronger. We've added roughly 1.7 million new jobs in the last year. We're witnessing steady, consistent growth. We're seeing the economy's impact on commerce as well.

Commercial transportation is generally a good indicator of this. The U.S. transportation system annually carries more than 16.3 billion tons of freight — valued at over \$12 trillion. And, as the economy continues to take off, we project freight volume will increase by more than 50 percent in the next 20 years.

The motorcoach industry is witnessing similar growth. Passenger miles have increased nearly 80 percent in the last 10 years. While this growth is welcome, it brings with it a potential impact on safety. So we have a significant challenge in front of us.

Safety Goal

Safety is at the very *heart* of our mission at the U.S. Department of Transportation and FMCSA. In 2003 we lost nearly 43,000 people on our nation's highways. Of that 43,000, nearly 5,000 deaths were related to commercial motor vehicles.

It's a sobering reminder of the hard work ahead of us. USDOT and FMCSA are committed to reducing the fatality rate in all motor vehicle crashes by 41 percent from 1996 to 2008. To reach this goal, we must take new approaches that help improve highway safety nationwide. And we must work with all of you in the motor carrier industry to reduce highway fatalities.

We know this is your priority as well. ABA has been a valued partner in our efforts to improve safety, and we rely on your dedication to this as various safety issues evolve.

Northeast Corridor Task Force

A good example revolves around your concerns about the small, urban-based, low-fare motorcoach operators in the Northeast. There has been a lot of publicity about these carriers — the way they operate on razor-thin profit and safety margins.

We share your concerns. Last year we created a multi-agency task force working in 7 States to investigate these carriers. The Northeast Motorcoach Task Force includes coordinated activities of Federal and State agencies.

Our investigations revealed a complex web of business relationships among these low-fare operators. Dozens of motor carriers are interwoven and share their business in a way that makes it challenging to determine who's responsible for their operations. Frequently, the Task Force deals with carriers that have connections to gangs or criminal activity. So, the Task Force is in regular contact with the FBI and the New York District Attorney.

But it's up to FMCSA to investigate companies providing service without proper operating authority or insufficient insurance. We've put carriers on notice for these violations, and they'll be penalized up to \$10,000 per trip if they fail to fix them. As of August 30th, the task force has conducted 13 compliance reviews and prepared 9 enforcement cases.

We know this remains among your greatest concerns. Please continue to provide us with safety-related information about these carriers. We'll continue working on this issue, and we'll either bring these carriers into compliance — or *shut them down*.

NTSB Recommendations

A second initiative where we've partnered is a series of safety recommendations by the National Transportation Safety Board. And we'll need to increase our collaboration on this. The three recommendations stem from a public hearing held by NTSB in June on the causes of a fatal motorcoach crash in upstate New York in 2002. We're taking steps to address these recommendations, and we'll need your ongoing support.

The first is to post a phone number inside each bus for passengers to call in the event of an emergency. We feel we can utilize the present 911 system. We'll need to publicize this through a joint government-industry outreach program. We've already begun talking to other industry leaders about this, and we'll develop more solid plans and actions in 2005.

The second recommendation involves adapting the SafeStat system to help us focus more specifically on the highest-risk passenger carriers. SafeStat, as many of you know, is a system that we use to track the compliance and safety performance of motor carriers nationwide. We're working with the Volpe Transportation Center to develop a more sophisticated selection system for identifying passenger carriers that merit our attention.

FMCSA's field staff soon will begin conducting compliance reviews on at least 20 percent of passenger carriers annually. This will enable us to assign all motorcoach operators new safety ratings at least every 5 years.

NTSB's third recommendation is to enhance our carrier monitoring by using compliance audit reports provided by the Department of Defense's Surface Deployment and Distribution Command. We've already begun implementing this. DOD started this system last year to monitor its contracted passenger carriers.

Now, DOD has agreed to share with us all compliance audits resulting in conditional or unsatisfactory ratings. This already is proving useful in identifying carriers with serious safety violations that our field staff should investigate.

All of these initiatives are areas where we're counting on your continued support and partnership.

Self-Policing

You've been doing a great job on these issues, but I have a challenge for you, and that's to raise passenger carrier safety standards even higher by improving your industry's self-policing activities.

All it takes is one crash to draw the attention of the media, the public, and Congress to your safety practices. Often, these crashes result in a mandate for additional rulemaking. You and I know that isn't always the best solution. We want to work closely with you — as we have in the past — to help you improve and sustain your safety performance as an industry.

Hours of Service

The hours of service rule is good example of where we feel the motorcoach industry can take a stronger stand on safety. Although the new rules went into effect at the beginning of this year, they apply only to truck drivers. Passenger carriers still operate under the old rule.

Driver fatigue continues to be a problem, and fatigue-related crashes tend to drive our rulemaking priorities. As you're aware, we're in the middle of a serious legal challenge to the new HOS rules. Currently, the court is reviewing our motion for a stay that would allow FMCSA sufficient time to address and correct the concerns stated in the ruling.

One issue raised by the court that we're already acting on is electronic on-board recorders, or EOBRs. On September 1st we began the rulemaking process with a notice requesting comments on their costs and benefits. Many of you have made very good use of EOBRs. While the technology has come a long way, it's still evolving. Your insights are quite valuable to us as we explore how to clarify the ways in which this technology can be applied.

While potential changes in the HOS rules don't impact the motorcoach industry directly, the court's decision drawing lots of attention to the general issue of drivers' hours and fatigue. So, it's especially important that you ensure compliance with the regulations that apply to you. It's also vital for you to employ strategies for managing fatigue for your drivers.

As I've suggested, this will demonstrate your ability to operate safely without the need for additional regulations.

New Entrants

Another area that's critical to your self-policing capabilities is the New Entrants program. This program is mandated by law. It's vitally important to prepare new entrants to the motorcoach industry for safe and compliant operations.

We plan to implement a program policy in which new passenger carriers will be subject to 6-month safety-monitoring period upon registering with FMCSA. We're doing this primarily because of the potential for fatalities among new entrants to the passenger sector that aren't sufficiently knowledgeable about safety and compliance.

All new carriers will receive a safety audit and have their roadside crash and inspection information closely evaluated. They must demonstrate that they are able to ensure basic safety management.

Passenger Carrier Safety Web Site

Also, I'd like to announce a program we've launched just today that will provide a much-needed service to consumers. FMCSA has developed a Web site that provides comprehensive information on passenger carriers. It helps educate consumers about the types of services available, as well as information on the safety performance and operating authority of individual companies.

The Web site takes users through a process. It provides objective, unbiased guidance on what types of vehicles and services meet certain needs. It then displays a list of carriers that provide the desired services in the indicated region.

Finally, the site provides safety, licensing and insurance information about each carrier in an easy-to-access, user-friendly format so consumers can make informed decisions. We believe this is a valuable resource to the industry.

NAFTA

I'd like to say a few words about the North American Free Trade Agreement. Trade is a key component of President Bush's strategy for continuing to build a strong economy that creates even more jobs. And the Administration feels very strongly that NAFTA is vitally important to our nation's commerce and our economy.

Opening the market between Mexico and the United States for buses and trucks means *more opportunities* for American companies, *more jobs* for American drivers and *better deals* for American consumers. Yet we have to be mindful of safety concerns and the need to hold motor carriers, drivers and vehicles from Mexico to our own high standards. And we are.

Last month the 9th Circuit Court of Appeals dismissed the lawsuit against DOT to halt implementation of the NAFTA bus and trucking provisions. This, of course, was the final official response to the Supreme Court decision in June and technically clears the way for opening the border. DOT is still working on the details of putting the rules into effect.

But FMCSA is ready to implement the truck safety rules. We have established a system for Mexican carriers to apply for operating authority within the U.S. Mexican carriers must demonstrate their compliance with *all* FMCSA safety regulations, and border inspections will ensure that they meet our standards. Each carrier that qualifies will be assigned a distinct DOT number for operating beyond the 20-mile commercial zone.

The Bush Administration remains firmly committed to implementing the trucking and bus provisions of NAFTA.

CSA-2010/Listening Sessions

Finally, I want to talk about an initiative we announced last month that likely will prompt a major shift in the way we approach compliance and safe operations for motor carriers. This is an effort where we really *need* and *want* your help.

Although we have made great strides in safety, we still face some serious challenges. The number of carriers continues to increase every year — a trend that will only accelerate as the economy continues to take off. The number of miles traveled by all carriers is likewise increasing — at a faster rate than passenger cars.

There are additional requirements relating to New Entrants, tighter security following 9/11, and the opening of the Southern Border under NAFTA. And while the demands are rising, our resources are likely to remain flat.

Obviously, we will have to work harder and smarter to continue our progress in improving safety. Therefore, we must look at *every* tool in our toolbox — how we use them, how we can change them, and how we can add to them. This is especially critical because currently we're conducting roughly 12,000 compliance reviews per year — that's out of 670,000 companies that are registered in our database.

In order to address this we have launched the Comprehensive Safety Analysis 2010 — or CSA-2010. It's a multi-year project to thoroughly review how FMCSA can best monitor, assess and enforce the safety of the nation's motor carriers.

And we're beginning not by talking, but by listening — to *you*. One week from today, we will host the first of 6 listening sessions, to be held at different locations across the country. We're asking motor carriers, insurance and safety advocacy groups, traffic enforcement professionals and the public for their views on the ideal ways to measure the safety of bus and truck operations and to take effective action.

The dates and locations of the listening sessions are:

- September 21st in San Diego;
- September 28th in Atlanta;
- October 5th in Mesquite, Texas, near Dallas — I will be attending that meeting;
- October 12th in Chicago;
- October 19th in Falls Church, Virginia — currently, Secretary Mineta is planning to attend this;
- and October 26th in Springfield, Massachusetts.

More information and a link to on-line registration are at our Web site, www.fmcsa.dot.gov. I strongly encourage you to participate in these sessions.

We hope this will help us move toward a rulemaking change on how we assess carrier fitness. This will be a great opportunity for you to help redesign our program to ensure it is even more effective in ensuring safety on our nation's highways.

Close

Together, we have a number of issues before us that call for clear and straightforward communications. Working as partners, we can all improve safety, prevent crashes and save lives.

Thank you again for the opportunity to be here today.

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